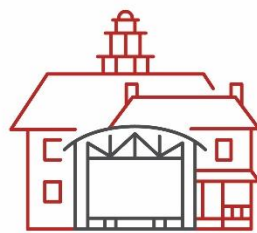


FAIRFAX COUNTY
ECONOMIC DEVELOPMENT SUPPORT FUND
PROJECT PROPOSAL



TOWN OF
VIENNA
since 1890

Town of Vienna
Economic Development Strategy and Market
Study
November, 2018

DRAFT

TABLE OF CONTENTS

I. SUMMARY	1
II. INTRODUCTION	2
III. DOCUMENTED NEED	3
IV. PROJECT GOAL	3
V. SCOPE OF WORK.....	3-4
VI. BUDGET	5
VII. KEY PERSONNEL.....	5
VIII. EVALUATION.....	5
IX. BOARD OF SUPERVISOR OBJECTIVES.....	6
X. PAY-BACK PERIOD.....	6

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1. Summary

The Town of Vienna is requesting \$50,000 from Fairfax County's Economic Development Support Fund (EDSF) to retain a consultant to assist us in developing an economic development strategy, and perform a market study as a part of that strategy. We want to conduct a comprehensive real estate market analysis of the Maple Avenue commercial corridor and other areas of Town designated as mixed use, office, industrial and employment centers on the Town's Comprehensive Plan - Future Land Use Map. This project meets the requirements of a "programming support" type of project.

2. Introduction

The Town of Vienna is an incorporated town located in the northeastern portion of Fairfax County. It encompasses 4.4 square miles and, according to the 2015 estimate,¹ has a population of 16,522. The median household income, in 2016 dollars, is \$143,276.² Vienna is located in close proximity to several regional employment centers, with Tysons situated immediately to its east. Residential uses make up a majority of land uses (71%), not including rights-of-way; commercial and industrial uses only account for 10% of land uses in the Town.

Roughly 60% of the 3.5 million square feet of commercial and industrial uses are comprised of professional and office space, 30% is retail space with the remaining 10% being industrial uses. Office buildings are primarily concentrated in the western half of Maple Avenue and in the CMP (Industrial Park) zoning district along Follin Lane and Electric Avenue. Retail uses are scattered along Maple Avenue and Church Street, as well as parts of Dominion Road and Mill Street, NE, and at the corner of Cedar Lane and Park Street.

3. Documented Need

Twenty years ago, the Town completed a vision project for the Church Street corridor, adjacent to Maple Avenue (Route 123), the main commercial corridor in Vienna. The guidelines adopted drove development of new, attractive restaurants and businesses. Located one block to the north of Maple Avenue, with the W&OD trail running across the district, retail and restaurants locations have been established and are succeeding.

To further the goals of the Town's comprehensive plan, the Town passed a voluntary zoning ordinance for Maple Avenue in 2014. Maple Avenue retail largely consists of 1950's and 1960's era strip shopping malls, which are unattractive and not supportive of modern retail concepts. The length of the corridor and the busy, 5-lane road it borders adds to the difficulties of revitalizing the space. The Maple Avenue Corridor (MAC) voluntary zoning ordinance increased building height and requires a number of beautification features, such as setbacks, building features and wide, landscaped sidewalks to attract pedestrian traffic.

As of October, 2018 there were 68 vacant properties ranging from office suites to retail sites on Maple Avenue. During the Town's 2018-19 Strategic Plan development, economic development was identified as an area that requires further attention and which may help address commercial and office vacancies. However, the first step is to determine our needs with expert help. Creation of an economic development strategy would give the Town a road map on how to direct our resources to help revitalize Maple Avenue and other areas with office and commercial space. A market study would help us target what types of businesses will fill unmet needs and will allow us to better utilize vacant properties.

4. Project Goal

The goal of the project is to hire a consultant to develop an economic development strategy for the Town of Vienna. The Town would then work with the consultant to develop a market study. The ultimate goal is for the Town to understand how to assist businesses in locating and thriving in Vienna, to fill vacant properties, and to improve the "place" that is the town of Vienna.

5. Scope of Work

The Town of Vienna is requesting grant support to retain a consultant to develop an economic development strategy. As a part of this strategy, we will need a comprehensive market study of the Maple Avenue commercial corridor and other areas of Town designated as mixed use, office, industrial and employment centers on the Town's Comprehensive Plan - Future Land Use Map.

Economic Development Strategy shall include:

- Create a situational analysis including opportunities and challenges based on the environment that currently exists within the Town.
- Review and analyze existing demographic and socio-economic data, labor force characteristics and other key economic data.
- Undertake a Business Retention & Expansion study as part of the overall Economic Development Strategy.
- Undertake a Business Investment & Attraction study as part of the overall Economic Development Strategy.
- Prepare key demographic trends and forecasts, social factors, economic factors and financial indicators for inclusion in the Strategy. This task should include preparation of market study of the Town's target sectors, as well as a community profile.
- Identify the Town's assets and competitive advantages, with proposed activities and programs, to incorporate these into the overall Economic Development Strategy. This task should include a SWOT analysis of the Town.
- Review and analyze local policies, processes and regulations to provide recommendation on making adjustments, where necessary and appropriate, to support sustainable economic growth and diversification.

- Economic Development Strategy is to contain an action plan to implement objectives and goals set forth in the Strategy as well as performance measures with timelines to evaluate whether, and to what extent, plan goals and objectives have been or are being met.

Economic Development Strategy Final Report shall include:

- Executive summary.
- Understanding of the dynamics of the trade area, including its customers and competition.
- Address specific relevant issues such as business mix, vacancies, intense competition from nearby communities, etc.
- Demonstrate and respond to the economic importance of the Town.
- Strategies to support business expansion and recruitment efforts.
- Identify niche markets.
- Fiscal analysis of potential Town and County tax revenue.
- Location of potential commercial catalyst projects.
- Define components of catalyst projects.
- Marketing recommendations.
- Implementation strategy (e.g., “Where do we go from here?” “What are the next steps for implementation?”).

Market Study shall include:

- Assessment of the Town’s current economic market and climate
- Demographic analysis and profile
- Review and analysis of existing business inventory addressing retail, dining, entertainment, personal and professional services, offices and tourism (i.e., supply).
- Identification of key industries, types of services, amenities, and/or leasing space that is lacking in Town to service demographic profile.
- Projection of the Town’s future development potential to include square footage by sector/type (i.e., retail, professional, commercial, industrial, etc.) that the Town could absorb within the next five to ten years (i.e., demand).
- Identification of housing types as a component of mixed-use projects. The analysis should include a projected number of owner-occupied versus rental, achievable rents and/or price per square foot, and identification of target users (i.e., demand).
- Location requirements and/or preferences for the targeted market.
- Districting and place-making strategies.
- Strategic action plan for implementation of the report findings, including identification of potential sources of funding.

The processes should involve:

- Scoping with Town staff, including an in-person tour of the Town.

- Stakeholder interviews with individuals and/or small groups (ideally developers and property owners) to gain additional insight into market conditions.
- Presentation to Town Council.

6. Budget

The following is the proposed budget and sources of funding.

	Town of Vienna	Fairfax County Economic Development Support Fund
FY 2019	\$25,000	\$50,000
FY 2020	\$25,000	
TOTAL	\$50,000	\$50,000
TOTAL PROJECT COST		\$100,000

7. Key Personnel

The following are the key personnel who will be responsible for completion of the project, as well as other personnel involved in the project.

Project Client	Mercury Payton, Town Manager, Town of Vienna
Sponsor	Supervisor Cathy Hudgins, Fairfax County Board of Supervisors, Hunter Mill District
Project Manager	Cindy Petkac, Director, Department of Planning and Zoning, Town of Vienna
Project Team	Staff from Departments of Planning and Zoning, Finance, Parks and Recreation, Public Works, Public Information Office, Town Attorney and Town Clerk
Consultant	

8. Evaluation

As stated earlier, as of October, 2018 there were 68 vacant properties ranging from office suites to retail sites on Maple Avenue. An economic development strategy, along with a market study, will help the Town better deal with these vacancies and any potential downturns in the office and commercial areas. The Town will be able to better attract the types of businesses it desires and create more robust commercial corridors.

9. Meet Objectives of Fairfax County Board of Supervisors

This project will satisfy the following objectives expressed by the Fairfax County Board of Supervisors:

- **Create places where people want to be.** An effective economic development strategy and market study will direct the Town to help revitalize the commercial area. Vienna uniquely located – close to Washington, DC, metro, the W&OD trail, so that the possibility of vibrant re-development is well within reason.
- **Achieve economic success.** Revitalized commercial areas with a vision and roadmap will lead to increase commercial real estate values for both the Town and the County, helping to diversify the economy and increase both the Town's and County's tax base.

10. Expected Pay-Back Period

Commercial redevelopment generating an increased assessed value of less than \$2.5 million would cover the County's investment of \$25,000 for this project. This would be a less than a 0.3% increase in the Town's current commercial assessed value, which is generally less than one year's increase in assessed value.

The project length for the economic development strategy is approximately 6 months, projected to begin in May, 2019. The project length for the market study is also 6 months, to begin in FY 2020 after the completion of the economic development strategy.

The County could expect a full pay back of its investment plus more in one to two years after the completion of the project.